

RESIDENT IMPACT STATEMENT

KMA Apartments, a partnership, the owners of Highland Terrace Apartments, 319 Fairgrounds Road, Alexandria, Minnesota anticipate that on or after October 1, 2006, they will terminate participation in the federally assisted housing program Section 515, administered by the Rural Development, United States Department of Agriculture.

Minnesota law requires owners to submit to the residents of the apartment building, the City of Alexandria, and the Minnesota Housing Finance Agency a statement of the impact of such termination on the residents of the project. This document performs that purpose.

1. Twenty Five units within the project will no longer be subject to rent restrictions imposed by the federal program which applies to this project effective as of the date of termination of the program which will be no earlier than twelve months after the date of this impact statement.
2. The owners estimate that the rents to be charged after termination will be:
One bedroom: \$425.00 monthly as compared to current rents charged under the federal program of \$365.00.
Two bedroom: \$500.00 monthly as compared to current rents charged under the federal program of \$415.00.
3. The owners propose to assist qualified tenants who may experience an increase in rent upon termination to obtain Section 8 vouchers from the Housing and Redevelopment Authority of Douglas County or the United States Department of Housing and Urban Development.

Dated August 17, 2005

Jeanne A. Krogh
Partner

Richard L. Krogh
Partner

Sharon M. Mackove
Partner

LeRoy G Mackove
Partner

Received Original of this "Residential Impact Statement"

Dated: _____

Apt # _____